

CRM: THE ESSENTIAL GUIDE

The Five Principles for CRM Success

A Pivotal Corporation Business Paper



© 2004-2006 Pivotal Corporation.

All rights reserved. Pivotal and the Pivotal logo are trademarks and/or registered trademarks of Pivotal Corporation.

All other marks referenced are trademarks of their respective companies.

CRM: THE ESSENTIAL GUIDE

The Five Principles for CRM Success

A Pivotal Corporation Business Paper



Featuring real-world lessons in CRM from:

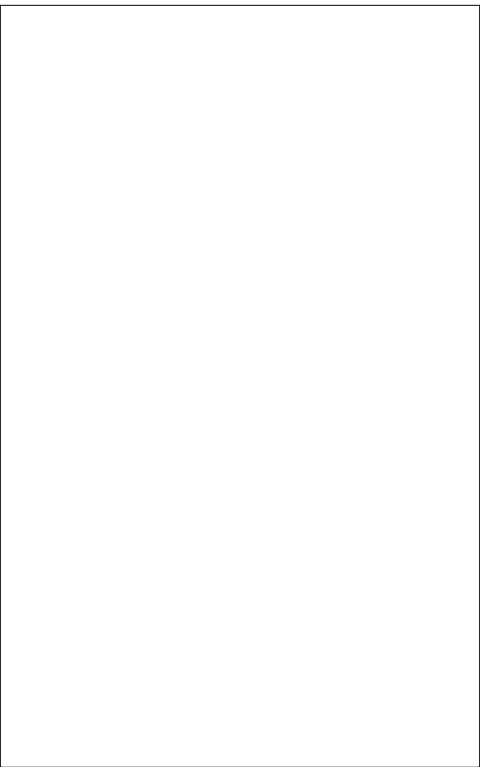
Allianz Dresdner Asset Management
Beazer Homes USA
Centex Homes
Centra Software
ESRI
Farm Credit Services of America
Flag Choice Hotels Limited

FPDSavills
Micro Focus International
North Shore Credit Union
Regus Group plc.
Sharp Electronics
Syngenta
Warehouse Stationery



**Farm Credit Services
of America**

“Our customer relationship management strategy is a driving force of our corporate vision.”



1	Introduction
3	Principle 1: CRM is Not a Software Purchase
11	Principle 2: CRM Must Adapt to Evolving Business Priorities
21	Principle 3: CRM Delivers Measurable Business Benefits
29	Principle 4: Consider Price and Total-Cost-of-Ownership Carefully
35	Principle 5: Your Business is Unique. So Are Your Selection Criteria



Microsoft

“This is a period where reality is driving expectations. It’s an environment where the big winner is the consumer buying these products.”

INTRODUCTION

In a keynote early in 2004, Microsoft's Bill Gates told his audience: "This is a period where reality is driving expectations. It's an environment where the big winner is the consumer buying these products."¹

There's no question about it, today's customers are radically transforming the way companies in every industry are doing business. And many companies are successfully responding with CRM.

If you're reading this guide, chances are you're looking for software – and guidance – to help you take a more customer-centric view of your business. You might be wondering how to make sense of an overwhelming number of CRM options. Maybe you're wondering how CRM can address the customer-facing processes unique to your industry. Perhaps you're concerned about choosing CRM that keeps pace with the velocity of change in your business. You might be looking to understand how CRM brings quantifiable business results. Or, if a CRM implementation seems costly and complex, maybe you're looking for an approach that mitigates the expense and risk.

Companies need to think smarter about their customer relationships and CRM strategies. Over the last decade, many have spent unprecedented sums on CRM only to have it fail to deliver "results." The inability of CRM to live up to expectations is often not the fault of technology but the result of a lack of clear business strategy, executive sponsorship, poor technology fit, or some combination of these. As we explain in this

paper, CRM is a strategy, and technology enables and supports the strategy.

Some failed in the planning and implementation, underestimating its impact on the people and processes it is meant to support. Others underestimated the total cost of owning their system, while others developed ROI metrics in a vacuum.

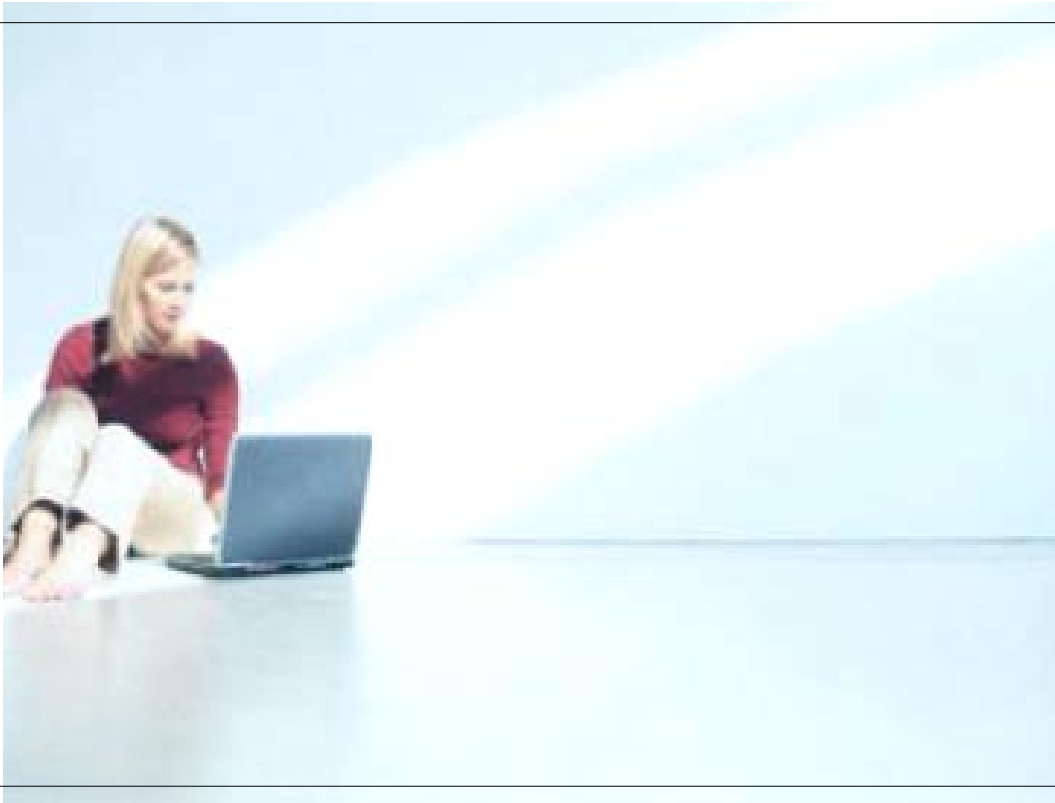
Our customers and prospects have brought us many insights in the ten years we've been developing and selling CRM. With an ever-increasing number of factors to consider, it's getting harder and harder to navigate the technology decision rapidly and with confidence. With this in mind we decided to look to our customers and our real-world CRM implementation experiences to help companies take a considered – and simpler – approach to evaluating their CRM options.

This guide distills insights from customers and prospects, industry analysts, and journalists down to 5 key principles for CRM success. These five principles can be used as a guide for selecting the right solution, and ultimately, delivering CRM success.

Among the companies profiled in this guide, one calls CRM the "glue" that holds their business together. Another calls CRM their "backbone." Another says CRM "has opened many doors." For all of them, CRM is a strategy, and key to their business success.



¹ Remarks by Bill Gates, Chairman and Chief Software Architect, Microsoft Corporation, 2004 International Consumer Electronics Show, Las Vegas, Nevada, January 7, 2004. According to Gates, "This is a period where the reality is driving the expectation... things are really being delivered... through solid products that stand the test of the marketplace... It's an environment where the big winner is the consumer buying these products."



ESRI

“ You can never look at anything related to CRM as a departmental implementation – if it can’t go company-wide, then it doesn’t belong. ”

PRINCIPLE 1: CRM IS NOT A SOFTWARE PURCHASE

CRM is a strategy. Technology is the enabler. No technology – no matter how sophisticated – can be successful without a strategy to guide it. Business strategy and technology always work hand-in-hand to bring a customer-centric plan to fruition.

If you asked 10 of our customers to describe their CRM strategies, you would likely get 10 different answers. One company, for example, might want to develop a multi-channel approach to reach new customers, while another might want to take advantage of customer information sitting in disparate databases scattered across the business.

Gartner recently surveyed mid-sized businesses (MSBs) to learn about their CRM goals and objectives. Not surprisingly, the majority of today's MSBs (companies between 100 and 350 users) adopt CRM to provide a 360-degree customer view and to automate and manage sales-related processes.

"Among MSBs, CRM goals and objectives for deploying CRM software are fairly common:

- 50 percent were using the CRM software to provide a 360 degree view of the customer for customer-facing employees
- 29 percent were using the application to provide visibility into sales cycles and sales activities
- 10 percent were using the software for customer service and support
- 6 percent were using it for integrated sales and service activities
- 5 percent were using the software to consolidate systems"

Gartner Inc., "The Three-Year Total Cost of Ownership for CRM Software for MSBs", W.Close, B. Eisenfeld, J. Davies, A. Bona (April 15/'04)

To achieve these varied objectives, CRM strategy cannot exist in isolation; it is co-dependent with other business strategies, and it "fits" between disparate systems, processes, and users.

A successful CRM strategy must be congruent with an organization's greater business goals. Companies need to define what their business needs are first, which ensures their CRM investment aligns with the people and processes that support their objectives. Those outcomes can include increasing revenue, margins, productivity, workflow effectiveness, customer loyalty or decreasing costs.

CUSTOMER INSIGHT 1: STRATEGY COMES FIRST

The sales cycle no longer starts and ends with the sales call. It lasts throughout the entire customer lifecycle – starting with marketing and continuing across sales and service interactions which can span many years.

CRM can help support and improve customer-facing processes. But for CRM to go company-wide, it must take a long-term, strategic view. For two of our customers, CRM is a driving force of their corporate vision and has enabled a multi-channel approach for customer interactions spanning departments and evolving over time.

ESRI (USA)

ESRI is the world's leading producer of geographic information systems (GIS), serving 300,000 organizations around the world with more than one million users. For them, CRM supports core operational and business functions, but just as importantly, it enables ESRI to serve its customers better.

"You can never look at anything related to CRM as a departmental implementation – if it can't go company-wide, then it doesn't belong," explains ESRI's director of sales operations, Jeff Peters.

"We have always been very customer driven. The problem was finding a system that could support this customer-driven company approach and then re-engineering our approach to data to architecturally support that solution."

Farm Credit Services of America (USA)

Jim Greufe, vice president responsible for CRM at Farm Credit Services of America, views CRM as a fundamental strategic asset. Their corporate mission statement bears this out: "Serving rural America with financial solutions, one relationship at a time."

"Our customer relationship management strategy is a driving force of our corporate vision," explains Greufe. "We continuously strive to deliver a higher standard of customer care to more than 59,000 farmers and ranchers that live and work the rural areas of the Midwest. Pivotal's CRM solution is the cornerstone to the success of our CRM strategy."

Farm Credit Services of America

“Our customer relationship management strategy is a driving force of our corporate vision.”

CUSTOMER INSIGHT 2: CONDUCT BUSINESS ON YOUR CUSTOMERS' TERMS.

You know your business better than anyone, except perhaps your customers. Customers have a lot to say – when asked – about the efficiency and effectiveness of your sales, marketing, and service organizations.

If the goal of a business is to match the right customer to the right offer at the right time, and then win their business for life, then a clear understanding of their needs is essential. Understanding customers puts companies in a stronger position to provide rapid, relevant service. As well, it improves the effectiveness and efficiency of its dealings with those customers.

By gathering data relevant to their preferences, companies focus their efforts on the customer rather than pushing product. For one of our customers, understanding clients' needs fundamentally changed how they think about customer relationships and how they provide their services.

Farm Credit Services of America (USA)

In 1998, Farm Credit Services of America, one of the largest farm credit organizations in North America, began to reinvent itself. With the goal of becoming more accessible, more responsive, more service-oriented, and more competitive, they wanted to become more vital to their customers and the entire agriculture business.

In the rural farm credit industry, customer interactions are largely face-to-face. When Farm Credit Services of America evaluated where to open retail locations, they asked their customers and discovered that they wanted to carry out banking and financial services dealings at their own place of business. That's exactly what Farm Credit Services of America have been doing since they implemented their mobile CRM solution.

"Our customers are proud of their operations, they want to show us their business," explains Greufe. "So we knew we had to have the ability to transact commerce at their place of business, on their terms." Mobile CRM provides a fully integrated, Web-enabled CRM solution for real-time access to critical data with or without a network connection.

CUSTOMER INSIGHT 3: THINK GLOBALLY. IMPLEMENT LOCALLY.

CRM should make it easy for global companies to share customer information. When devising a strategy for connecting customer-facing employees in Italy with their counterparts in the UK – and everywhere in between – it's important to consider that most customers are actually served locally. To effectively meet the expectations of customers in every corner of the world, sales, marketing, and service need the ability to interact with customers in their language, to complete transactions in their local currency, and yet work together as a single, coordinated team.

For example, corporate headquarters might be responsible for all outbound communications. Sales representatives might handle day-to-day interactions with a customer. A far-flung service organization might support the customer. CRM needs to provide a unified customer information repository that can be accessed by employees in many regions and departments in the language and currency they need to serve their local customers – and it must support the local processes that might be distinct from one region, or one office, to another.

Syngenta (Worldwide)

At Syngenta, a world-leading agribusiness and leader in crop protection, 19,000 people in over 90 countries have access to the latest customer data. With different products, customers, preferences, business models, regulatory climates, and, of course, geographic boundaries, every deployment needs to operate at a local level.

"We had a range of processes and tools in place," says Syngenta's IT director, Larry Reeves, "however the approach was ad-hoc and there seemed to be a disjunct – we were not performing as efficiently as we could and were missing market opportunities."

Local Pivotal partners helped implement the right technology and workflows. This enabled all local offices to take an active and unique approach to service and sell their individual markets with a single view of the customer.

With so many different people across so many boundaries with unique needs, it would have been counterproductive if the local deployments didn't embody some element of consistency. Through a committee that oversees local implementations, Syngenta not only ensures that each office uses one CRM system but ensures consistency in rolling up data to each local database.

ESRI

“ We are implementing CRM one bite at a time, not waiting for the whole meal. ”

CUSTOMER INSIGHT 4: POWER IS SHIFTING INTO THE HANDS OF THE END-USER.

While it's one thing to have a solid CRM technology platform in place, it's quite another for people to use it properly. Many companies still underestimate how important end-user acceptance is to the success of any CRM initiative. But the biggest obstacles to CRM success are consistently reported as non-technical, namely change management, internal politics, and uncoordinated departmental processes, systems, and databases.

Some companies involve end-users in the overall system design. Others also look for an intuitive and easy-to-use interface that can be customized to reflect the way their employees work – not the way the vendor thinks they should. They make sure critical information is available, on demand, wherever and whenever users need it. And they look at training, user documentation, and self-help tools such as the knowledgebase to evaluate how "user friendly" the CRM solution will be.

Cultural change is vital to achieving strategic objectives, and companies must be prepared to

lead, train, and support employees and partners when rolling out a CRM solution. But cultural change rarely takes hold when forced.

ESRI (USA)

ESRI ensured CRM success by introducing their CRM solution in stages and by having those who use the system participate closely in customizing it.

Champions from each department were selected and employees were included in system design. As a result, the adoption rate was strong and those employees who use the system, benefit from the input they provided.

"We are implementing CRM one bite at a time, not waiting for the whole meal," explains ESRI's director of sales operations, Jeff Peters. "People are looking for success – and it's the process, not the event, that ensures success. If you view CRM as a one-time event, you are doomed. Management wants to see successes. When they see them, they stay engaged."

The scope and capability of their system continues to evolve. ESRI recently implemented elements of the Pivotal solution for use by its partners and is currently adding mobile CRM functionality.

Syngenta

“It’s not just about the technology, it’s about people using technology in clever ways. We understand this and are committed to the hard part – making it work.”

Syngenta (Worldwide)

Syngenta knew that getting CRM results meant winning over the hearts and minds of its employees. With roots over a century old, the company is the result of a merger between two leading names in the agribusiness industry – Novartis and Zeneca. Integrating silos of information and a range of tools and processes posed more than just technological challenges when these companies joined forces.

Overcoming resistance, Syngenta, required achieving several milestones and showing hard results.

"Our people had to adopt new work processes and attitudes towards how they interacted

with our customers," explains Syngenta's CRM manager, Scott McKinnon. "It helped that we

had some quick wins with the solution right in the beginning that proved to [management] that the solution would make a difference to our business."

He adds, "For CRM to achieve the desired results, it requires a cultural shift, a different way of thinking and acting throughout the company. It's not just about the technology, it's about people using technology

in clever ways. We understand this and are committed to the hard part – making it work." □

Change Management CRM Best Practices

- Get everyone on board early and fast with "quick wins"
- Get end-users involved in designing and customizing the system
- Introduce CRM functionality in pieces – one department, one module at a time

CRM RECAP: PRINCIPLE 1

Strategic foresight

To ensure your CRM solution meets stakeholder expectations, establish CRM's role in supporting the overall corporate strategy, articulate the ultimate state of the customer relationship, and consider its effect on various business units and end-users from the beginning.

Key questions to consider:

- How will CRM support your corporate strategy?
- What departments or functional groups need to be involved in system design and who will use it?
- What processes will be impacted? What processes will change?
- Have customers been asked for feedback about the level and quality of service they expect?
- Is there a communications plan and strategy for involving employees and partners in the selection and rollout?
- What are the training requirements to drive user adoption?



Centra

“ [The Pivotal] architecture allows us to more quickly adapt our technology to ever-changing business needs. ”

PRINCIPLE 2: CRM MUST ADAPT TO EVOLVING BUSINESS PRIORITIES

Businesses change, so CRM technology must be adaptable. From regulatory changes to mergers and acquisitions, every shift in the external business climate can require corresponding moves in strategy and business processes. Businesses need technology infrastructures that can respond to rapid change.

Just as some consumers prefer modular furniture that can be expanded and contracted to re-configure a physical space, the ability of mid-sized companies to re-configure processes quickly, through flexible technology, can be a competitive advantage.

building blocks consist of product architecture and platform technology. Pivotal's applications for sales, marketing, service, and channel management and our industry-specific solutions derive their flexibility from the strength of these building blocks.

One approach to creating a CRM solution involves envisioning every possible feature, function, and business rule that an organization will ever require over its lifetime, and then delivering it, out-of-the-box. Vendors who've taken this approach have produced CRM solutions that are cumbersome and inflexible.

For many of our customers, this has provided the agility they need to connect with their customers, and to link systems and applications inside and outside the company, as well as the flexibility to adapt to changing business requirements.

Instead of trying to envision every possible feature and business rule, Pivotal provides a set of building blocks that can be assembled to support unique business processes and solutions. These

Inside CRM

Business agility with a flexible CRM architecture

More about the architecture

Pivotal's architecture is "metadata-driven," which means customer data is isolated from the business rules that describe how data is used. A metadata-driven approach to architecture makes it easy to change both how and what data is presented, modified, distributed, or accessed. New database tables, for example, can be added and business rules that describe workflows can be altered. Other systems can be integrated, security settings can be modified, and even the look of the application can be tailored for different users. Not all CRM solutions can be customized like this. For some CRM solutions, customer data and the rules that describe it are inextricably linked together, forcing a business to operate the way the technology does.

More about the platform

Pivotal's metadata-driven architecture is designed on the .NET framework — significantly decreasing the time and effort needed to integrate CRM with enterprise applications and data both within and across business boundaries. .NET enables both new and existing applications to connect with software and services across platforms, applications, and programming languages using standard Web services protocols (XML, SOAP, WSDL, and UDDI). This facilitates the ability of Pivotal CRM to integrate with Web services, and provides the ability to quickly build, deploy, manage and use connected, secure solutions. Companies can extend their existing infrastructure more quickly in the way they see fit.

More about customization and configuration

The architecture and platform underlying a CRM system directly influences the flexibility and adaptability of the solution. In general, there are two measures of CRM flexibility: configurability and customizability, each of which has its own distinct merits despite the fact that the industry often uses these terms interchangeably.

Configuration lets even non-technical users make changes to the application or the user interface, typically without programming. For example, users can select pre-determined security settings, change interface preferences, or define sales territories. Configuration is restrictive in that configuration settings are limited to a range of pre-defined possibilities. As a result, organizations can only model their business processes within the limits of the configuration settings delivered by the vendor. This "sandbox" solution is valid if and only if your vendor understands your business better than you do. The cost to customize a configurable CRM solution can be prohibitive.

Customization lets companies model unique business processes by modifying an application or template through system-level properties or programming code. For example, a sales process to manage RFPs or RFIs could be modeled by adding tables and code to customize an application. Customization, when done properly, allows organizations to "redefine the sandbox" by supporting their existing business processes (no matter how complex), or even creating new ones.

Making it easy to customize a CRM application is one of Pivotal's core differentiators. Through a combination of configuration and customization, Pivotal solutions can be modeled to any business process, while configuration settings are limited appropriately to areas such as allowing sales managers to change a sales process by editing milestones, or allowing end-users to personalize display preferences.

While most CRM vendors today claim to support both customization and configuration, some offer much stronger configuration capabilities. It's important to understand your needs and evaluate vendors appropriately. ■

Centra

“As business rules change, we now have the lowest total cost of development and administration environment within which to grow our internal systems and processes.”

CUSTOMER INSIGHT 5: THE RIGHT CRM ARCHITECTURE MAKES YOU ADAPTABLE.

For complex organizations that require robust sales, marketing, service, and channel management capabilities, being able to customize a CRM solution is essential. These companies need to model unique business processes, and they often have to integrate a CRM solution with other existing enterprise applications. For CRM software, flexibility is a function of how easy the software can be customized and integrated. This flexibility is determined, or constrained, by the software's underlying architecture.

Centra (USA)

Centra, a leading provider of specialized software and services for online business collaboration, has embraced CRM across all customer-facing aspects of its business, automating its sales, marketing, and service departments. Centra's director of business systems, Todd Williamson, describes Pivotal as a "springboard" for their ongoing service and support strategy. He says, "[the Pivotal] architecture allows us to more quickly adapt our technology to ever-changing business needs."

Using Pivotal CRM, Centra manages all marketing projects and campaigns; provides opportunity management, and forecasting support for sales; delivers incident tracking and support contract management to the support department; offers a knowledgebase for all employees; and provides the product development group with customer enhancement requests and technical issue management.

Asked what aspects of their business they use Pivotal for, Williamson says, "It's probably easier to define what we don't use it for." He adds, "Today Centra has the most maintainable and extensible architecture to move our CRM application forward. As business rules change, we now have the lowest total cost of development and administration environment within which to grow our internal systems and processes."

ESRI (USA)

For ESRI, CRM was about creating a centralized company knowledgebase to bring together everything ESRI "knew" about a given customer. ESRI wanted their solution to give them a better way to serve an ever-growing customer base, which now includes most U.S. federal agencies, national mapping agencies, 45 of the top 50 petroleum companies, U.S. state health departments, and most forestry companies.

ESRI

“ Customization is the strength of Pivotal. That’s why we chose it. ”

ESRI's director of sales operations, Jeff Peters explains, "We have always been very customer-driven. The problem was finding a system that could support this customer-driven company approach, and then re-engineering our approach to data to architecturally support that solution."

"Customization is the strength of Pivotal – that's why we chose it," adds Peters. "It's the fact that Pivotal offers a rapid development environment and highly customizable system. We would never have gotten out of the gate if we had a pre-canned system that forced us to tell people that they had to change the way they do things. People do things often because that's the way that it needs to be done. People are smart and want to feel like they are influencing things, so if you come in with a top-down sledgehammer, you might as well uninstall the software from the system because they're not going to use it."

CUSTOMER INSIGHT 6: TO ADAPT AND COMPETE, YOU'VE GOT TO BE FLEXIBLE.

Customer service is the critical element of corporate differentiation. Excellent customer service requires a flexible, speedy, and responsive CRM system that can adapt quickly

to external and internal pressures, not only to create new customers but to retain existing ones. With flexible CRM, the adaptive enterprise can optimize its core capabilities in response to an ever-changing economic and competitive playing field.

In the financial services marketplace, for example, increased competition, new regulatory pressures, and the need to provide a broader range of products to an increasingly diverse and demanding client portfolio has prompted more astute organizations to look to technology as a competitive weapon.

Allianz Dresdner Asset Management (United Kingdom)

Aimed at improving the service and value they provide to both institutional and retail clients, Allianz Dresdner Asset Management has benefited from the flexibility and customizability of the Pivotal system to more tightly integrate their marketing and sales functions. "It would have been an easy option to go down the off-the-shelf or packaged application route, but this would not have served the needs of our business well in the long term," explains Giles Hardy, head of e-business at Allianz Dresdner Asset Management.

North Shore Credit Union

“Pivotal met our key criteria for a CRM solution because it was faster to implement, less expensive than other alternatives, and it wasn't bulky.”

"By working closely with the Pivotal team in the UK we have been able to take a phased approach to the development and implementation of a comprehensive CRM solution which we expect to continue to serve our needs across both sides of our business. We recognized the value that a highly responsive CRM system could bring to our business, enabling us to open up the lines of communication and interaction between what were previously distinct business information silos."

Hardy adds, "The investment management business is very specific, detailed and highly complex. Due to the flexibility and customization capabilities of Pivotal technology, we have been able to adapt the system to meet these needs."

North Shore Credit Union (Canada)

For North Shore Credit Union, integrating flexible software enabled them to achieve 100% of their three-year growth plan target in just 18 months. One of the fastest growing credit unions in Canada, North Shore Credit Union uses CRM to help respond to rapid changes and new competitive pressures in the financial services sector.

"Our greatest challenge was dealing with other financial institutions that were globalizing, reducing costs, and therefore providing their services at a cheaper price," explains Chris Catliff, president and CEO at North Shore Credit Union.

"We countered by adopting an innovative model of service excellence that relies on CRM to provide timely, customized information to our staff so that they can respond in a very member-intimate fashion. Pivotal met our key criteria for a CRM solution because it was faster to implement, less expensive than other alternatives, and it wasn't bulky. It allowed us the flexibility to take what we needed and ignore the other screens and capabilities for which we really had no need."

“ Pivotal underpins our entire business on a day-to-day basis. ”

CUSTOMER INSIGHT 7: COMPLIANCE CAN PRESENT NEW OPPORTUNITIES.

Evolving regulatory compliance requirements in every industry mean that businesses have to assess and report on more internal controls. Rather than implementing stand-alone applications that support each regulation, more businesses are investing in technology applications that not only enhance their ability to comply but further improve efficiency.

Of course, there are a slew of federal and industry regulations. California Senate Bill 800 (SB800) gives homebuilders the right to fix problems that may occur in a new home before the homeowner can file a lawsuit. AMA's Council on Judicial and Ethical Affairs publishes guidelines to help physicians and industry representatives make ethical decisions regarding the appropriateness of gifts. Sarbanes-Oxley protects shareholders and the general public from accounting errors and fraudulent practices.

There's an opportunity for companies to leverage investments in CRM to automate and otherwise improve their business processes as well as comply with regulations. In financial services,

for example, organizations face multitudes of compliance issues. Gram-Leach Bliley (or PIPEDA in Canada) regulates how customer information is handled, used, and shared by companies.

Regulatory bodies such as the SEC or NASD have their own regulations; for example, tracking gift-giving to asset managers and disclosing of affiliations and interactions with analysts and reported companies.

These key compliance issues are addressed by Pivotal's Financial Services applications, which can track and report on the following: use of customer information, gifts to brokers for fund wholesalers, interactions with clients (phone calls, meetings, emails etc.), and analyst relationships with reported companies, officers, and the influences these parties may have upon each other.

Around the world, the pressure is on by regulators to incorporate permission-based marketing practices in all customer and prospect contact. The companies that build successful relationships with customers and prospects not only align themselves to incorporate privacy safeguards, but also gather and use information in a way that sets them apart from their competition. These companies are finding ways to tailor marketing practices to

Sharp Electronics

“ It means using what we know about customers to meet their needs – the way they want them met. ”

deliver targeted, personalized messages that put the right offer in front of the right person at the right time, ideally using the medium of choice.

FPDSavills (United Kingdom)

At a time when both the commercial and residential property markets were experiencing considerable growth, the board at FPDSavills made a strategic decision to centralize all IT systems. Their goal was to reduce IT operating and management costs, drive improved customer service, and comply with new legislation that required property management organizations to furnish full audit trails on all mortgage services provided to their clients.

Driven by the need to comply with the new regulations coupled with the need to provide a highly personalized and responsive service to their clients, FPDSavills developed a customized contact management and mortgage solution entirely using Pivotal.

FPDSavills' IT director, Richard Coleman states, "Using Pivotal, we are now able to manage the complete process of selling properties through a single system. From attracting vendors, marketing properties, and matching to prospective buyers, managing expense claims and invoicing vendors,

Pivotal underpins our entire business on a day-to-day basis."

Because of the speed and flexibility with which FPDSavills developed and implemented new business modules with Pivotal, they have been able to centralize core client information and automate business processes to meet regulatory requirements.

Sharp Electronics (USA)

Sharp Electronics treads carefully between wanting to know and serve customers well while not violating their right to privacy. "Privacy simply means sharing information with those companies we trust, while not divulging to those we don't. It means using what we know about customers to meet their needs – the way they want them met," says Sharp's director of strategic marketing, Fred Krazeise.

Sharp carefully tracks response rates of lifecycle message campaigns and newsletter content, even tracking the frequency with which emails are forwarded to colleagues and friends. "By analyzing this information we have the insight we need to make changes to both our content and the frequency with which we communicate to

Flag Choice Hotels

“As we make greater use of the technology, we continue to learn how we can work smarter and be clever in the way we develop and use it.”

our subscribers, ensuring we're respecting their preferences and their privacy," says Krazeise. He continues, "By giving customers and prospects what they need, we've been able to maintain consistent subscribe and unsubscribe rates for every issue."

CUSTOMER INSIGHT 8: CRM SHOULD HELP YOU GROW YOUR OWN WAY.

Flexible CRM technology must not only capture current requirements but also retain the flexibility to change and evolve with the business as rapidly as possible. What's required is a system designed specifically to reflect the underlying processes both in the front-office and back-office; and as business conditions change, the ability to alter relevant processes appropriately.

Flag Choice Hotels (Australia)

Flag Choice Hotels, the second largest accommodation franchising group in Australia, needed a scalable solution that supported real-time distributed environments, wireless and disconnected users, and multiple interaction channels.

"Right from the beginning Pivotal struck us as being a flexible solution that would grow and develop with us at our pace," explains Flag Choice Hotels' IT manager, David Blackman. "Our business is extremely complex and we have a layered approach to dealing with our various markets and to reporting on them. In fact, Pivotal has been more widely used than originally envisaged, effectively becoming an indispensable tool for Flag Choice's day-to-day operations."

Flag Choice Hotels has extended Pivotal into other areas of the business, and continues to add features to the solution to keep in step with business change. "The initial installation highlighted just how many areas could benefit from Pivotal," says Blackman. "As we make greater use of the technology, we continue to learn how we can work smarter and be clever in the way we develop and use it. Pivotal has opened up doors for us, and that is invaluable, given the increasingly competitive market we work in." 

CRM RECAP: PRINCIPLE 2

Evolutionary considerations

It's important to choose a flexible CRM solution. Flexible architecture and platform technology marks the difference between adaptable and competitive organizations and inflexible and slower-moving organizations. Regulatory pressures and evolving permission-based marketing principles will cause some companies to struggle and cobble together solutions in spite of their systems. Forward-thinking and agile enterprises will select flexible CRM to move them forward, and might view the need to address regulatory requirements as an opportunity to renovate their systems.

Key questions to consider:

- Are your market conditions stable or dynamic?
- Will you need to change the way you do business to keep up or outpace the competition?
- What is your plan to keep up with regulatory pressures in your industry?
- What technology infrastructure is needed to support new systems, new data sources, and new users?
- Can all important and relevant customer information be collected and combined within this technology infrastructure?



North Shore Credit Union

“ Our greatest benefit of our CRM solution, without a doubt, is going from 5 years of flat growth to growth of 25 percent per year over the last two years since we implemented it. ”

PRINCIPLE 3: CRM DELIVERS MEASURABLE BUSINESS BENEFITS

Properly applied, CRM technologies create demonstrable results.

However, just as 62 percent of all statistics are created on the fly, identifying return on investment (ROI) metrics becomes a moving target if the system isn't setup to collect the right information in the first place.

Simply put, you can't report ROI on what you can't measure. Successful CRM requires identifying and setting specific metrics in the first place, before rolling out the system. For this, it's critical to think about data. Defining data requirements and data capture processes — including specifying user interface requirements, database design, security, and access requirements — must happen early in the project design phase to ensure you can provide the right success metrics for your initiative.

When a company monitors and measures the effectiveness of its CRM strategy against preset targets, a tangible ROI can result. According to a recent Gartner report,

"There was overwhelming proof of the benefits of CRM initiatives among MSBs, and the survey revealed that 75 percent plan to expand their system:

- 64 percent achieved a measured return on investment
- 95 percent improved efficiency
- 46 percent increased revenue
- 95 percent improved effectiveness
- 68 percent lowered costs
- 66 percent found that CRM provided a competitive advantage"

Gartner Inc., "The Three-Year Total Cost of Ownership for CRM Software for MSBs", W.Close, B. Eisenfeld, J. Davies, A. Bona (April 15/'04)

Every organization has a different vision for their CRM project. Every vision brings with it a variety of business value propositions that can be attached to bottom-line results. For example, in two excerpts from recent Pivotal Request for Proposals (RFPs), it's easy to see the difference in emphasis between their CRM projects, and the metrics they will need to define and measure.

An integrated call center company's RFP states, "The purpose for this implementation is to provide an infrastructure to more efficiently support internal business operations, as well as more efficiently support external customers. This includes not only the need to support the business as it currently exists, but also to support the organization after an expected growth of 25 percent. It is imperative that the software is highly configurable and customizable in order to support the business requirements across many customers. Additionally, it must be flexible to adapt quickly to change as our customers and the market changes."

A healthcare insurance company itemizes the following:

- Requires the successful integration of processes, people, and tools
- Consolidates silos of information
- Enables internal and external collaboration
- Drives membership acquisition and retention
- Increases overall efficiencies

The first company's ROI metrics are a split between hard ROI – efficiency gains – and soft ROI – the ability to support them as they grow which mandates a flexible, configurable, and customizable solution.

In the second example, the company needs software that supports collaboration across departments and between the company and its customers and channels. The ability to report on membership acquisition, retention, and improved efficiencies requires benchmarking preset targets at the outset and measuring the same metrics over time to demonstrate results.

Regardless of varying definitions of ROI, CRM investments must be justified in terms of business value – how it supports a vision – and not exclusively on ROI.

Calculating ROI successfully means the difference between measuring real targets or unattainable ones because the system wasn't setup to capture the right information in advance.

CUSTOMER INSIGHT 9: TECHNOLOGY-ENABLED MARKETING INCREASES MARKETING EFFECTIVENESS.

Technology-enabled marketing helps companies broaden their reach and boosts marketing effectiveness at a lower cost than traditional print direct mail and advertising. It's a compelling addition to any marketing program. For many companies, bringing a new marketing channel on board – e-direct marketing via email and the web – means reaching more prospects and customers, more frequently, with more targeted, relevant, and personalized messages.

For marketers whose program dollars are discretionary and always under scrutiny, technology-enabled marketing solutions can bring other advantages. With a technology-enabled marketing solution it's relatively easy to show measurable results, quickly.

Sharp Electronics

In less than one year, they increased the number of qualified leads tenfold, decreased the cost per lead by 85 percent, and reduced advertising costs by 28 percent.

Sharp Electronics (USA)

Faced with rapidly dropping selling prices for LCD monitors, Sharp's director of strategic marketing, Fred Krazeise knew they needed to create more demand, boost brand awareness, and decrease marketing costs.

As part of their new marketing approach, the company focused on boosting brand awareness to gain more new customers, but also on improving current customer relationships – an approach they referred to as winning and keeping "customers for life". They also focused on optimizing channel effectiveness.

Krazeise explains, "The selling price for our products is dropping – and it can change by 15 to 20 percent very quickly. Given lower margins and a need for higher volumes, we have to go out and market products on our own for the dealer base. We want to make sure that we create this sense of preference for Sharp products for the end-user – and that we have a strong dealer network to serve and support them. We have good products and we want one-to-one relationships with end-users."

Sharp uses technology-enabled marketing to manage approximately 100,000 one-to-one,

simultaneous direct marketing campaigns. The information received by Sharp's prospects and customers through the Pivotal solution is dynamic, personalized, and relevant. "Now that we have Pivotal MarketFirst, we changed our ranking system and took it out of the hands of human beings", says Krazeise. "Pivotal MarketFirst automatically ranks the prospect according to our predetermined business rules. So if you are the decision maker and you have a budget approved – and your timing to purchase is within 30 to 60 days and we have the product to meet your need – you are an 'A' lead."

Sharp's LCD Product group realized a significant return on investment by automating their marketing programs. In less than one year, they increased the number of qualified leads tenfold, decreased the cost per lead by 85 percent, and reduced advertising costs by 28 percent. "We began to see results within three weeks of using Pivotal MarketFirst," adds Krazeise. "Now that we have it, we can't live without it."

Sharp Electronics

“Now that we have it, we can't live without it.”

CUSTOMER INSIGHT 10: CRM MAKES IT EASY TO DELIVER FAST AND INFORMED SERVICE. THE ROI PAY-OFF? MORE REVENUE, AT LESS COST.

Companies of all sizes face the challenge of growing and retaining customers. Raised expectations across industries, prompts the demand for superior, personalized, and rapid service. That pressure has fueled the need to have critical customer information on hand at all times, and as well as the ability to track and trend service, such as response times, to continuously improve a company's competitive position.

SecureWorks (USA)

Founded in 1999, SecureWorks is an Internet security service company that protects corporate networks in four industries (banking, credit unions, healthcare, and utilities) from hackers. When dealing with customers, the company knows how vital it is to have critical customer information accessible at all times.

Delivering the highest level of security means

being able to integrate SecureWorks' proprietary technology – an information security appliance called iSensor – with a flexible CRM solution. This integration couples security data regarding a company's network with the right company, contact, and service level agreement information.

"We wanted to automate the entire customer lifecycle – including lead generation, marketing programs, sales forecasting, sales process management, the initiation of support contracts, configuration, and activation of products, and the delivery of customer service driven by the Service Level Agreement," says SecureWorks' director of operations, Craig Bray.

Getting the integration right was key to achieving the ROI results the company expected. Their CRM system is the "glue" that consolidates their operations and tightens collaboration, dramatically improving customer response times and operational efficiencies.

"SecureWorks is using Pivotal to further differentiate ourselves from our competitors in what is an increasingly high-growth, fast-paced,

SecureWorks

“We have reduced crucial response times and retained virtually all of our customers without having to increase our own headcount.”

and competitive market," says Bray. "As a result, we have reduced crucial response times and retained virtually all of our customers without having to increase our own headcount. Pivotal has been a key factor in our rapid growth."

one channel—say, our call center—and then asking them to repeat themselves at another channel—say, our branch. We have to give them better service than that."

North Shore Credit Union (Canada)

Solid member relationships, technological innovation, and exceptional service have long been the core of North Shore Credit Union's success. Using technology to improve internal business operations is becoming imperative for organizations like NSCU. "In order to provide better service, we really needed to have knowledge

about what our customers and members wanted," explains North Shore Credit Union's president and CEO, Chris Catliff, "Their expectations of us were rising dramatically. And we couldn't have conflict between dealing with them (customers) in


ROI Metrics CRM Best Practices

- Define CRM success for your organization
- Preset corresponding metrics and data requirements
- Determine the business processes required to capture the data
- Determine user interface implications and accessibility requirements
- Plan for end-user training if you are making changes to existing processes
- Consider data hygiene – ensure the data that's captured is clean
- Scope the CRM project clearly and budget for all costs
- Secure management buy-in for any expansion to the original scope of work

The results of implementing Pivotal CRM have been significant. "Our greatest benefit of our CRM solution, without a doubt, is going from 5 years of flat growth to growth of 25 percent per year over the last two years since we implemented it," says Catliff.

Technology has also improved customer support and employee effectiveness. By creating web-based, customer-facing portals and

integrating up-to-date customer information in one place, both customers and employees have the ability to access the information they need, when they need it. "We have almost 40,000 members, and we can attribute their increased retention

rates on financial products directly to our CRM implementation,” adds North Shore Credit Union’s manager of CRM, Susan Metcalf. “We were pretty industry-standard for retention rates on mortgages, term deposits, and that sort of thing before the solution implementation – around 70 percent – and we are now consistently in the 90s since our CRM implementation. And that’s because it has given our staff the knowledge and support to be pro-active.” 

RECAP: PRINCIPLE 3

ROI business metrics

Thinking about the ROI of your CRM project must start during the selection process. By defining what CRM success looks like and identifying corresponding metrics, companies will be much closer to demonstrating ROI when they need to. Management, business users, IT staff, and your CRM vendor must work together to preset the right indicators and tie your CRM technology to appropriate business processes and data requirements. This approach will yield indicators that justify your CRM investment in terms of business value.

Key questions to consider:

- Are your ROI metrics derived from your corporate mandate?
- Have you established key business metrics? How will you report on them?
- If you choose not to adopt CRM, what might the long-term cost be to your business?



Centex

“ We were also hoping to find a business partner with a broader suite of solutions and capabilities that we could add as we progressed. ”

PRINCIPLE 4: CONSIDER PRICE AND TOTAL-COST-OF-OWNERSHIP CAREFULLY

TCO and ROI need to be used together when evaluating a CRM project.

In the previous section we explored the importance of defining CRM success and ensuring the right data is captured to report on progress. But what about CRM costs?

There's good reason why industry analysts commonly set time horizons of at least three years when helping CRM vendors and customers set expectations for calculating the total expense of a CRM project. Few organizations have unlimited budgets and what's true for most is that CRM is not a one-time cost.

What makes any enterprise application software investment a considered investment, is that the majority of the investment is in license fees, services, and training which occur long before the software demonstrates any business results. In fact we have estimated that costs in the first year can often account for more than 60 percent of overall project costs. This can seem very risky for many companies that want to see quantifiable results quickly.

In order to manage expectations over a period of years, Total Cost of Ownership (TCO) analyses should be conducted with a clear view of the

overall strategic expectations for a CRM project. A sound framework for measuring results over the life of the project must be stated at the outset.

Given the complex interdependence of typical enterprise technology environments in mid-sized businesses, TCO can be a difficult metric to obtain for a single enterprise application software system. Key CRM lifecycle costs are less about licenses and much more about the extended costs of owning a CRM system. Leading industry analysts have estimated that up to 90 percent of CRM lifecycle costs are associated with customization, integration, deployment, and ongoing administration (support and maintenance) of the CRM system.

According to Gartner, "It is also helpful to examine the costs of vendor solutions on a yearly basis."

Gartner Inc., "The Three-Year Total Cost of Ownership for CRM Software for MSBs", W.Close, B. Eisenfeld, J. Davies, A. Bona (April 15/'04)

The Truth About TCO and Hosted CRM

In today's mid-sized enterprise marketing wars, one of the least understood issues — and therefore most easily exploited subjects during the selling cycle — is the cost of hosted versus on-premise CRM. With hosted CRM, or "software as a service", companies do not buy the software; they pay a monthly fee to use the software, which is hosted and maintained by the vendor. It's easy to be drawn in by the lure of low first-year costs for hosted CRM, such as low monthly rental fees, and minimal or no services fees. It's also easy to get end-users up and running quickly, which can make hosted CRM seem like the more compelling choice.

When comparing the cost-per-user of hosted versus on-premise CRM solutions over a three-year period, total costs are virtually identical. However, at the end of three years the company using hosted CRM does not own the system. It can't be customized. It can't evolve. It can't be extended to grow with the needs of the business.

Hosted CRM can be a great choice for organizations that don't have (or want) the IT support and

expertise to manage a strategic information technology system. For smaller organizations, or organizations looking for generic sales force automation support, hosted CRM is the right solution.

For more complex organizations that require robust sales, marketing, and service functionality, and strong customization and integration capabilities, hosted CRM just doesn't make sense. Handing over customer and prospect data to a service provider, and relying intensively on the Internet to access this data is also a legitimate concern. Making the trade-off for low first year costs over reduced customization, integration support, and functionality is a mistake many might be tempted to make. Over time, however, the economics of a traditional, licensed model for purchasing CRM software turns out to be financially compelling and provides more strategic business value.

Taken from industry-analyst research, software costs alone account for between 30 and 38 percent of the total first year costs of owning the system. Services costs, usually associated with customizing and integrating the CRM system, come in at between 34 and 47 percent of the total first year costs. Maintenance and support account for 7 to 10 percent of first year costs, and hardware costs make up the rest at between 8 and 18 percent.

CUSTOMER INSIGHT 11: TCO IS LOWER WITH INDUSTRY- SPECIFIC CRM.

On average, CRM designed for specific industries delivers up to 75 percent of the functionality and capabilities companies need out-of-the-box. In financial services, for example, industry-specific CRM solutions provide everything from cash management flagging to ROE visibility, and portfolio allocation planners to relationship modelers, influence trackers, trading portals, research distribution engines, and event and expense tracking modules.

For companies that select industry-specific CRM solutions, benefits come quickly. Customization


projects are associated with tailoring the solution to meet the organization's unique back office or other integration issues, or customizing the system to fit the organization's unique business processes.

Centex Homes (USA)

Volume homebuilders want flexible "out-of-the-box" enterprise CRM, but they also want the ability to customize systems as necessary. When Centex Homes, one of the largest homebuilders in the United States, went looking for technology solutions, they first ruled out the "huge" systems that didn't fit their pricing model; then they narrowed their search to a few more flexible solutions.

"At first we thought that a new SFA system would fulfill our immediate needs," says Centex Homes' vice president of information systems and chief technology officer, Charles Irsch. "But we were also hoping to find a business partner with a broader suite of solutions and capabilities that we could add as we progressed."

Pivotal Homebuilder contains as much as 75 percent of the functionality homebuilders need for lead management, sales automation, and customer care, leaving a small amount of customization to

accommodate an organization's unique business processes and integration points. The total cost of ownership (TCO) for software acquisition, customization, training, implementation, and support is among the lowest in the industry, allowing customers like Centex Homes to realize benefits quickly. 

CRM RECAP: PRINCIPLE 4

Determining TCO

The complexity of enterprise technology environments can range widely. As a result, TCO is often difficult to measure for a single enterprise software system. Up to 90 percent of total CRM costs are associated with customizing, integrating, deploying, supporting, and maintaining a CRM system. The costs of a CRM system may also change as the years go on – in the second and third year of ownership, the lion's share of on-premise CRM costs shift to support and maintenance fees; services and software costs on average remain minimal unless, of course, the organization decides to extend their CRM implementation.

Key questions to consider:

- Are you considering costs over a three-year period?
- Have you planned for change or growth? Could you outgrow a "quick fix" and wind up spending more money a few years down the road?
- Have you considered the costs of data security and the cost of potential security breaches?
- Does industry-specific CRM make sense for your company?



Warehouse Stationery

“Pivotal’s CRM acts as the all-important glue for the business, bringing together the various technology platforms we use to support our specific business functions – like customer sales, service, and marketing.”

PRINCIPLE 5: YOUR BUSINESS IS UNIQUE. SO ARE YOUR SELECTION CRITERIA

CRM solutions must support established business processes. CRM can look completely different from one company to another. Generally, CRM is used by companies to connect data, people, and processes across the customer-facing front-office – typically, in sales, marketing, and service channels. But the capabilities required from one company to another to support their unique workflows and business objectives vary widely.

In August 2004, Gartner released a research study showing that mid-sized enterprises (companies with between 100-999 employees) consistently identify the following seven criteria when asked how they evaluate CRM software application suites.

"The top seven – features (that is, breadth and depth of CRM features appropriate for mid-size businesses in supporting sales, marketing and customer service activities), ease of implementation, ease of customization, price, ease of use, TCO and ease of integration with the back office."

Gartner Inc., "Rating CRM Software Products for MSBs", W. Close (Aug.10/'04)

When evaluating CRM, companies will increase their CRM success by using evaluation criteria that's most relevant to them. Determining the relative weight to assign to each criterion requires an understanding of the overall business strategy, growth plans, unique workflows, appropriate ROI metrics, financial resources, and the project's time-

horizon. These, of course, are the fundamentals for a successful CRM software implementation all of which you've read about earlier in this business paper.

What's clear, once feature requirements are satisfied, is that prospective CRM purchasers are looking for flexible CRM software that can be customized and deployed quickly. That way, the CRM system will support established business processes and existing customer information systems, which typically embody a company's competitive advantage.

Regus Group

“ We have fundamentally re-modeled our business systems around our customers, placing us in the strongest possible position to continually service their needs on a proactive basis. ”

CUSTOMER INSIGHT 12: UNIQUE WORKFLOWS DICTATE FEATURE REQUIREMENTS.

E-marketing flexibility, multi-channel integration, and real-time mobile communications are almost universal expectations for CRM software today. But beyond out-of-the-box functionality, companies have unique workflows that dictate different supporting requirements. The better processes are defined, the easier it'll be to select a solution that offers functionality specific to your industry and flexible enough to support your business requirements.

Regus Group plc. (United Kingdom)

Regus Group is a global provider of serviced office solutions with a network of 700 business centers in 55 countries that sells its services to small startups and large multinationals like Nokia and Compaq. Managing the requirements of a range of customers – some requiring one office, while others requiring several operating out of different Regus properties – only increase the complexity of servicing them.

Today, Regus Group's sales force is able to access standard up-to-the-minute pricing, contract, and

promotional information globally. The Pivotal system has been customized to incorporate business rules describing key data and settings such as available discount levels, authorization requirements, individual customer preferences, and order history.

The system also provides additional business intelligence that enables the sales force to identify and pursue cross-selling and up-selling opportunities and to complete sales orders more efficiently. "We have fundamentally re-modeled our business systems around our customers, placing us in the strongest possible position to continually service their needs on a proactive basis," says Regus Group's executive director, Rudy Lobo.

Farm Credit Services of America (USA)

When customer-facing employees such as the mobile sales team and call center representatives do not have clear visibility into customer accounts, they can't quickly and accurately respond to customer and prospect needs. For Farm Credit Services of America, CRM had to go mobile.

"We required a data synchronization system congruent with how our employees do business," explains Jim Greufe, vice president responsible

Farm Credit Services of America

“ We required a data synchronization system congruent with how our employees do business. ”

for CRM at Farm Credit Services of America. "We know that at least once a day our hundreds of mobile field officers will dial-in, often from a remote location. They tell us that they spend, on average, 10 to 20 minutes or more checking and responding to email. So the synchronization process takes place in the background, unobtrusively. Pivotal's handling of synchronization is very user friendly and inconspicuous and truly supports the way our employees work."

Centex Homes (USA)

In addition to traditional sales and marketing automation capabilities, volume homebuilders need to ensure the quality of the home with automatic inspections, buyer orientations, and customer surveys. They also need the ability to manage homeowner service warranty requests and resolutions to provide faster response times and a superior customer experience.

Centex Homes uses its Pivotal system to manage prospects, automate "quote and qualify" activities, generate contracts, and manage the sales contracting process. "Quote and qualify" is the process of generating multiple quotes on lot and floor combinations for potential homeowners and determining their ability to qualify for a mortgage.

"We're taking data from the system and sharing it with some of our business partners and affiliated companies," says Charles Irsch, president information systems and CTO at Centex Homes. "More timely information results in a more streamlined business. We can all react more quickly to changes in the home-building process."

Beazer Homes USA (USA)

Beazer Homes USA uses Pivotal CRM to provide every customer with a consistent home buying experience, while resolving warranty requests quickly and enhancing the quality of each home delivered. Beazer employees can access a comprehensive repository of customer information, review home histories, and manage the complete service cycle, which includes dispatching contractors automatically, tracking service requests, monitoring service quality, and tracking supplier charge-backs.

Their CRM system is also integrated with other corporate systems, so users can easily access all the relevant information on the homeowner and on the home, including selected home options, original contractor or supplier, and homeownership history. "Our customer care initiative is a key part of our long-term strategy to ensure we deliver

Beazer Homes USA

“Pivotal offered the best solution to address our customer care processes on an enterprise scale.”

quality homes as well as an enjoyable customer experience," says Jonathan Smoke, CIO at Beazer Homes. "With over 15,000 homes closed in 2003, we required a software system to manage our increasing customer care requirements. Pivotal offered the best solution to address our customer care processes on an enterprise scale."

CUSTOMER INSIGHT 13: A UNIFIED CUSTOMER VIEW IS VERY IMPORTANT.

Everyone who touches the customer must know and be aware of the complete customer relationship — not just one aspect of it. By unifying customer-facing processes through one comprehensive resource, an integrated CRM solution will step up customer service levels as well as drive efficiency and reduce operational costs.

Everyone benefits from a shared repository: marketing runs targeted, personalized campaigns, the sales team follows up on leads and fills the pipeline, and support works to keep current customers satisfied. Immediate, shared access to information ensures that everyone interacting with

your customers has access to the same information at any time, making for a smooth transition from marketing to sales to support, resulting in more satisfied customers and more repeat buyers.

CRM creates a seamless customer-focused enterprise, one that builds strong relationships throughout the customer lifecycle.

Warehouse Stationery (New Zealand)

There is little doubt that benefits can be substantially improved when a CRM strategy is the "all-important glue" for the business. In the world of paper products and office supplies, New Zealand's Warehouse Stationery attributes their success to having developed a sound business solution built around the synergistic and complementary nature of technology, business processes, and e-business opportunities.

Its strategy is to leverage a multi-channel approach to develop a world-class, one-stop shopping experience. Combined with its retail outlets, Warehouse Stationery launched a successful B2B venture designed to access small-to-medium sized enterprises via the Internet, sales representatives,

Micro Focus

“ We needed to create a single, unified database of customer information to underpin all our business functions. ”

and a call centre. This multi-channel offering now reaps sales of \$16 million, up from \$3 million only a year earlier. Warehouse Stationery's systems and technology manager, Claudia Vidal attributes this success to a business solution built around the complementary nature of technology. "With smart use of technology, we've created a platform that has transformed our business. Pivotal's CRM acts as the all-important glue for the business, bringing together the various technology platforms we use to support our specific business functions — like customer sales, service, and marketing. As such, it sits at the centre of our customer contact centre, enabling all our processes to work seamlessly and effectively."

Micro Focus International (United Kingdom)

Focusing on the customer requires a keen understanding of their needs, which can only be achieved when supporting technology is integrated throughout the organization. "We needed to create a single, unified database of customer information to underpin all our business functions," explains Sanjeev Garg, director of worldwide business systems at Micro Focus

International. "We knew that this approach would enable us to take the new applications infrastructure beyond pure CRM and place us in the strongest possible position to not only extend the use of the new system beyond marketing, sales, and service, but more importantly, to enable Micro Focus to become a truly customer-focused organization." □

CRM RECAP: PRINCIPLE 5

Selection criteria

It's important to assess your business objectives, technology strategy, IT budgets, opportunity costs, customization requirements, and industry-sector requirements before you make a CRM decision. You will increase the likelihood of selecting the solution that best meets your customer-focused requirements by using, and weighting, the evaluation criteria most relevant to your business.

Key questions to consider:

- Can you identify and weigh the factors that will help you achieve your business objectives?
- Do vendors have all the features required to support your business processes?
- Can vendor solutions be customized to include functionality beyond the out-of-the-box product?
- Does the solution integrate or connect to other systems and data sources?

CRM: THE ESSENTIAL GUIDE

It's clear. Customers today are overwhelmed by their CRM choices.

In "*CRM: The Essential Guide*," our goal was to distill the many factors under consideration into five key principles to help you wade through the seemingly unlimited range of CRM options.

There are unlimited customer insights to wringing the right results from your initiative, but *only* five principles to CRM success.

Principle 1: CRM is Not a Software Purchase

Principle 2: CRM Must Adapt to Evolving Business Priorities

Principle 3: CRM Delivers Measurable Business Benefits

Principle 4: Consider Price and Total-Cost-of-Ownership Carefully

Principle 5: Your Business is Unique. So Are Your Selection Criteria

CRM doesn't have to be risky. That is, if you do your homework. As these customer stories attest, the pieces of the CRM success puzzle fall into place with a clear CRM strategy – one that fits each company's vision. By adopting a strategic mindset at the outset, companies will select a CRM solution that ensures both near and long-term success. And as customer after customer relates, flexible and adaptive technology is the foundation of their CRM achievements.

It's never too early to be thinking about selecting CRM that's right for your business. □



North America

Pivotal Corporation Inc.
858 Beatty Street, Suite 700
Vancouver, B.C.
Canada V6B 1C1
1-877-748-6825
info@pivotal.com

Australia

Sydney
Melbourne
Brisbane
1 800 819 470
info_au@pivotal.com